Message Text

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DRAFTED BY TREAS HMCFADDEN:GS APPROVED BY NEA/ARP:FMDICKMAN TREASURY:GLPARSKY

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TO AMEMBASSY JIDDA IMMEDIATE

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E.O. 11652:N/A

TAGS:

SUBJECT:FINDUSTRY

REFS: (A) STATE 166140; (B) JIDDA 5083

1. TREASURY ASSISTANT SECRETARY PARSKY DISCUSSED WITH DR. MAURICE DAWKINS THE CONTINUING SERIES OF TROUBLESOME COMMUNICATIONS PASSING FROM MESSRS DAWKINS, VAUGHN, AND LLEWELYN OF FINDUSTRY TO KAMEL ADHAM REGARDING THE FINDUSTRY PROPOSAL AND THE USG'S ROLE RELATING THERETO.

PARSKY SUGGESTED THAT DAWKINS DISSOCIATE HIMSELF FROM LLEWELYN AND VAUGHN WHO APPEAR TO BE THE SOURCE OF MESSAGES WHICH MISREPRESENT ROLE VARIOUS USG OFFICIALS CAN PLAY WITH RESPECT TO FINDUSTRY PROPOSAL (SEE REF A). PARSKY ALSO ADVISED DAWKINS THAT UNLESS LLEWELYN AND VAUGHN IMMEDIATELY CEASED IMPLYING TO THE SAUDIS THAT THE USG WOULD PLAY A ROLE IN SUPPORT OF THE FINDUSTRY PROPOSAL THAT WE WOULD NOT BE ABLE TO OFFER THE NORMAL KIND OF ASSISTANCE LIMITED OFFICIAL USE

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GIVEN BY THE USG TO A LEGITIMATE BUSINESS PROPOSAL TO A

FOREIGN GOVERNMENT FOR FEAR THAT THE SAUDI GOVERNMENT WOULD ERRONEOUSLY INFER USG SUPPORT FOR THE PROPOSAL. DAWKINS HAS SENT LETTER DATED JULY 17, 1975 TO PARSKY

CONDITIONALLY DISSOCIATING HIMSELF AND FLETCHER FROM FINDUSTRY PROPOSAL. TEXT FOLLOWS:

2. DEAR GERRY. I AM APPALLED AND EMBARRASSED. MR. VAUGHN'S UNILATERAL INITIATION OF TELEX COMMUNICATIONS, RESULTING IN NEGATIVE REACTIONS OF SAUDI AND U.S. EMBASSY OFFICIALS IS MOST DISTRESSING.

MAY I EXPRESS MY SINCERE APOLOGIES TO YOU AND OUR EMBASSY OFFICIALS? I ASSURE YOU THAT MR. ARTHUR FLETCHER AND MYSELF HAVE CATEGORICALLY AND UNEQUIVOCALLY DISASSOCIATED OURSELVES FROM ANY FURTHER COMMUNICATIONS THAT WE DO NOT PERSONALLY JOINTLY INITIATE OVER OUR OWN SIGNATURES. WE HAVE FURTHER DISASSOCIATED OURSELVES FROM GEORGE VAUGHN AND THE FINDUSTRY INTERNATIONAL INC. PROPOSAL.

BOTH MR. FLETCHER AND I HAVE, THROUGH MORE THAN TWENTY-FIVE YEARS OF PUBLIC SERVICE, GAINED REPUTATIONS OF RELIABILITY AND SOUND JUDGMENT. WE CERTAINLY UNDERSTAND GOVERNMENT SYSTEMS AND ARE ALWAYS SENSITIVE TO PROPER PROTOCOL.

WE CANNOT AND WILL NOT PERMIT THE ACTION OF ONE MAN IN A FEW MONTHS TO WIPE OUT A LIFE TIME OF DEVELOPING GOOD WILL AND A GOOD NAME AMONG OUR FRIENDS IN GOVERNMENT.

IF YOUR OFFICE IS THE PROPER CHANNEL, WE TRUST THAT THE TRAGIC OVERZEALOUS ACTIONS OF OUR ASSOCIATE WILL NOT PREVENT FUTURE CONSIDERATION OF A REVISED SCHEDULE OF CONVERSATIONS WITH SAUDI BUSINESS INTERESTS AT THE APPROPRIATE TIME WITH A NEW FIRM, NEW NAME AND WITH NEW PRINCIPALS

WE EXPECT, WITH THE HELP OF ARTHUR D. LITTLE COMPANY, THE COUNSEL OF BECHTEL COMPANY, AND THE GUIDANCE OF LIMITED OFFICIAL USE

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MR. GEORGE PANTOS AND THE LAW FIRM WITH WHICH HE IS ASSOCIATED, TO RECONSTRUCT OUR PRESENTATION AND OUR STRATEGY FOR DEVELOPING A VIABLE JOINT VENTURE WITH SAUDI ARABIAN AND AMERICAN MINORITY BUSINESSMEN.

THANK YOU FOR YOUR THOUGHTFUL CONSIDERATION. SIGNED, SINCERELY, MAURICE.

3. WE CLEARLY CANNOT GUARANTEE THAT NO MORE COMMUNICATIONS WILL COME FROM VAUGHN OR OTHERS CONNECTED WITH FINDUSTRY. SHOULD THIS PROBLEM ARISE AGAIN YOU SHOULD REITERATE TO SAUDIS THAT USG HAS TAKEN NO POSITION (EXCEPT FOR

CONSIDERATION BY JUSTICE. NOTED IN REF A.) ON THE FINDUSTRY PROPOSAL AND WOULD NOT CONTEMPLATE DOING SO WITHOUT EXPLICIT AND UNEQUIVOCAL INDICATION FROM THE SAUDI GOVERNMENT THAT THEY WERE SERIOUSLY CONTEMPLATING SUCH AN INVESTMENT. KISSINGER

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